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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for First Quarter Ended 31 March 2018

16 April 2018

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the first quarter ended 31 March 2018.

The materials are also available at www.keppeldcreit.com, www.keppeltt.com.sg, www.kepcapital.com and www.kepcorp.com.

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Keppel DC REIT Achieves DPU of 1.80 cents for 1Q 2018

Key Highlights

- 1Q 2018's DPU of 1.80 cents was 3.4% higher than 1Q 2017's adjusted DPU of 1.74 cents after excluding the one-off capital distribution recorded in 1Q 2017 in relation to Keppel DC Singapore 3
- Distributable income was \$20.9 million in 1Q 2018, lower than 1Q 2017's \$21.8 million due to the absence of the one-off capital distribution
- Portfolio AUM at \$1.66 billion following completion of maincubes Data Centre in Germany
- Portfolio occupancy at 93.7% with weighted average lease expiry (WALE) of 9.6 years by leased area
- Aggregate leverage at 37.4% and interest coverage ratio of 10.7 times

(\$'000)	1Q 2018	1Q 2017	+ / (-) %
Gross Revenue	38,008	32,224	+17.9
Property Expenses	(3,920)	(3,380)	+16.0
Net Property Income	34,088	28,844	+18.2
Distributable Income to Unitholders ⁽¹⁾	20,867	21,766	(4.1)
Distribution per Unit ⁽²⁾ (DPU)(cents)	1.80	1.89	(4.8)
Adjusted DPU⁽³⁾ (cents)	1.80	1.74	+3.4
Annualised Distribution Yield ⁽⁴⁾ (%)	5.00	4.94	+6 bps
Adjusted Annualised Distribution Yield⁽⁴⁾ (%)	5.00	4.83	+17 bps

(1) 1Q 2017's distribution income included a one-off capital distribution of \$1.7 million for the month of December 2016 arising from the later completion of Keppel DC Singapore 3 and where the vendor had agreed that all the rights and obligations shall pass to the REIT as if completion had occurred on 1 December 2016. 1Q 2018 and 1Q 2017's distributable income included Keppel DC Singapore 3's Capex Reserves.

(2) DPU was computed based on the distributable income to Unitholders and had excluded the Capex Reserves. 1Q 2017's DPU included the one-off capital distribution of 0.15 cents per Unit. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 31 March 2018.

(3) 1Q 2018's DPU was higher than 1Q 2017's adjusted DPU after excluding the one-off capital distribution recorded in 1Q 2017.

(4) Annualised by quarters and computed based on 1Q 2018's closing price of \$1.440 per Unit.

Financial Review

Keppel DC REIT Management Pte. Ltd. (the Manager) is pleased to report a DPU of 1.80 cents for 1Q 2018, translating to an annualised distribution yield of 5.00% based on 1Q 2018's closing price of \$1.440 per Unit. 1Q 2018's DPU was 3.4% higher than 1Q 2017's adjusted DPU of 1.74 cents, after excluding the one-off capital distribution that arose from the Keppel DC Singapore 3 acquisition last year.

Distributable income for 1Q 2018 was \$20.9 million, lower than 1Q 2017's \$21.8 million mainly due to the absence of the one-off capital distribution that was recorded in 1Q 2017. Excluding the one-off capital distribution last year, distributable income for 1Q 2018 would have improved year-on-year. This is mainly due to contributions from Keppel DC Dublin 2, higher variable income from Keppel DC Singapore 1, partially offset by lower rental income from Basis Bay Data Centre and Gore Hill Data Centre as well as higher finance costs and Manager's fees.

Portfolio Review

Keppel DC REIT has successfully expanded its footprint to Germany, one of the key data centre hubs in Europe, with the completion of maincubes Data Centre on 30 March 2018. The commencement of the 15-year triple-net master lease also lengthens the REIT's portfolio WALE and strengthens the REIT's income stream.

With the addition of this energy-efficient freehold facility, Keppel DC REIT's portfolio has grown to 14 data centres valued at approximately \$1.66 billion, while its geographical profile has been further diversified to ten cities in eight countries across Asia Pacific and Europe. Portfolio WALE remained long at 9.6 years while occupancy was at 93.7%.

As part of its proactive asset management efforts to enhance portfolio returns, Keppel DC REIT has also entered into a contract to acquire the remainder of the 999-year leasehold land interest in Keppel DC Dublin 1. The long leasehold land interest will allow the REIT to be more agile in its investment strategy and provide clients with longer term certainty.

Capital Management

The Manager's prudent capital management approach has put the REIT in good stead amidst market volatilities. Interest rates have been substantially locked in through interest rate swaps, and forecasted foreign-sourced distributions have been hedged till 1H 2019 with foreign currency forward contracts. Natural hedging is also in place with borrowings in currencies that match the corresponding investments.

In 1Q 2018, Keppel DC REIT's borrowings increased mainly due to loans drawn to fund the 90% balance payment of maincubes Data Centre. Aggregate leverage was 37.4% as at 31 March 2018. All borrowings are unsecured and have an average cost of debt of 2.1% per annum. Weighted average debt maturity was 3.2 years while interest coverage ratio remained healthy at 10.7 times.

On 10 April 2018, the REIT issued €50 million floating rate notes due 2023 under the \$500 million multicurrency Medium Term Note Programme. This diversifies the REIT's funding sources and enhances its financial flexibility.

Outlook

According to the Organisation for Economic Co-operation and Development (OECD)'s Interim Economic Outlook published in March 2018, the global economy is projected to continue expanding, supported by investment, trade and employment growth. However, the OECD cautioned that an escalation of trade tensions could dampen this outlook.

Demand for data centre space continues to be driven by the trend of enterprises moving towards digitalisation and data centre outsourcing, along with the exponential growth of data created from new technologies and the implementation of data sovereignty regulations. The increasing trend of cloud adoption will also generate demand for data centre space from cloud and service providers, as well as from enterprises. These are expected to fuel data storage requirements in key data centre hubs.

Building on its established track record and global client base, the Manager will capitalise on growth opportunities in the data centre industry to expand and strengthen Keppel DC REIT's portfolio of quality assets.

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About Keppel DC REIT (www.keppeldcreit.com)

Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre REIT listed in Asia and on the Singapore Exchange (SGX-ST).

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets, with an initial focus on Asia Pacific and Europe.

Its current portfolio comprises 14 high-quality data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 1,043,967 sq ft, the portfolio spans ten cities in eight countries in Asia Pacific and Europe.

Keppel Telecommunications & Transportation Ltd (Keppel T&T), the Sponsor of the REIT, has also granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

The REIT is managed by Keppel DC REIT Management Pte. Ltd.. Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has a 50% interest in the Manager, with the remaining interest held by Keppel T&T. Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide the REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.

Important Notice

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel DC REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.